

# Kosmas Introduces Legislation to Support Small Business Incubators

Bill will Create National Incubator Grant Program to Support Development of Early-Stage Small Businesses

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(Washington, DC) — In honor of National Small Business Week and as part of her continued efforts to help Central Florida's small businesses, Congresswoman Suzanne Kosmas (FL-24) today introduced legislation to support small business incubators so they can foster innovation and reduce costs for early-stage businesses. The Early-Stage Business Investment and Incubation (ESBII) Act (HR 5411) will create a national incubator grant program administered by the Economic Development Agency (EDA) to provide grants for incubators that support the development of early-stage small businesses in targeted, high-growth industries.

A 2008 EDA study found that business incubators are an effective public-private approach that produces new jobs at a low cost to the government. According to the study, up to an estimated 70 jobs are created for every \$10,000 in EDA funds invested in business incubation programs[1].

"I cannot express how important this bill is in terms of enabling growth and expansion of the companies that incubators serve," said Dr. Tom O'Neal, University of Central Florida Associate Vice President and Incubation Program Executive Director. "I can think of nothing that will better stimulate the kind of sustainable job growth this country needs than filling the capital gap for our most promising innovative companies."

"Small business incubator programs in Central Florida and across the country have a proven track record of helping new businesses develop," said Congresswoman Kosmas. "This legislation will ensure that entrepreneurs and emerging businesses are able to access the tools they need to innovate, grow, and create jobs throughout our communities."

The Early-Stage Grant Program established by this legislation will provide grants for incubators that support the development of early-stage small businesses in targeted, high-growth industries. The \$250 million program will be administered by the Economic Development Agency and will supply incubators with access to a maximum of \$5 million to use within no longer than a 5 year period.

Incubators will need a private-sector collaborator for each company they are incubating to ensure the broader community is involved in their efforts and to ensure maximization of federal funds. The bill is supported by the National Business Incubation Association and the National Association of Seed and Venture Funds.

"There is a critical national need to help foster innovation and reduce costs for early-stage, high-growth businesses and to widen the scope of federal funding programs to support incubators, and this bill will help accomplish those objectives," said Jim Jaffe, CEO of the National Association of Seed and Venture Funds, an international group that focuses on early-stage investments. "Our organization is fully supportive of the aims of this legislation and we appreciate Congresswoman Kosmas's leadership in supporting small business incubators."

“Congresswoman Kosmas’s initiative to increase the amount of funding for business incubators is a profound step forward,” said David Monkman, CEO of the National Business Incubation Association, the world’s leading organization advancing early-stage business incubation and entrepreneurship. “Increasing the range of opportunities available to incubator managers will spur innovation and growth for small businesses and provide support for entrepreneurs to commercialize and market their products.”

Congresswoman Kosmas, a former small business owner, is focused on supporting small businesses so they can continue creating jobs and investing in our communities. She has introduced or sponsored numerous bills to provide tax relief to small businesses, to cut taxes for entrepreneurs, and to help small businesses afford health insurance.

The Early-State Business Investment and Incubation (ESBII) Act is another addition to Kosmas’s “Central Florida Reinvestment Plan,” which she has developed to spur private investment in communities suffering from job losses, high foreclosure rates, and other economic distress. Other elements of Kosmas’s plan would eliminate capital gains tax on small business investments, provide a capital gains tax waiver to spur long-term investment in residential and commercial properties, and expand tax credit opportunities for private investment in areas of high unemployment.

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